

GRAND CENTRAL 1ST FLOOR, 26 RAILWAY ROAD SUBIACO WESTERN AUSTRALIA 6008 PO BOX 201, SUBIACO WESTERN AUSTRALIA 6904

TELEPHONE: (+61 8) 9381 4366 FAX: (+61 8) 9381 4978

EMAIL: paladin@paladinresources.com.au
Web: www.paladinresources.com.au

29 August 2006

Company Announcements Office Australian Stock Exchange Limited 20 Bridge Street Sydney NSW 2000

Dear Sir / Madam

Takeover bid by Paladin Resources Ltd for Valhalla Uranium Limited Notice that defeating condition to takeover bid fulfilled

We enclose, by way of service pursuant to paragraph 630(5)(b) of the Corporations Act 2001 and as required by subsection 630(4) of the Corporations Act 2001, a notice declaring that the condition in section 12.8(a) (FATA approval) of Paladin Resources Ltd's bidder's statement dated 24 July 2006 has been fulfilled.

Yours faithfully Paladin Resources Ltd

GILLIAN SWABY Company Secretary

39990_1 page 1

Paladin Resources Ltd ACN 061 681 098

Notice that defeating condition to takeover bid fulfilled

To: Australian Stock Exchange Limited

Valhalla Uranium Limited ACN 116 370 720

For the purposes of subsection 630(4) of the Corporations Act 2001, Paladin Resources Ltd gives notice declaring that the condition to its takeover offers for all the ordinary shares in Valhalla Uranium Limited (**Offers**), set out in section 12.8(a) (FATA approval) of its bidder's statement dated 24 July 2006, has been fulfilled (so that the Offers have become free of that condition).

Date: 29 August 2006

Signed for and on behalf of Paladin Resources Ltd by

Gillian Swaby

Company Secretary